

Project Startup Report

Presented to the IT Committee March 24, 2010

Project Name: ITCS (Inmate Trust and Commissary System) Project

Agency: DOCR

Business Unit/Program Area: Commissary, Trust and Payroll

Project Sponsor: Dave Huhncke

Project Manager: Vince Salzer

Project Description

The State Auditors' office has recommended that the DOCR have better internal controls with their inmate accounting system. The DOCR needs to secure by either purchasing or leasing an Inmate Banking Trust and Commissary accounting system that will provide an automated inmate trust, banking and Commissary software system. The DOCR is attempting to maintain an efficient comprehensive inmate banking, trust, and payroll delivery system by obtaining a system that is compatible with the DOCR's offender management system (ITAG). This system must be available for use by the DOCR by July 1, 2010. The current system is owned and controlled by Keefe Commissary Group Network which is located in St. Louis, MO. This current contract can not be renewed or extended with Keefe and will expire on June 30, 2010,

Once the DOCR owns or leases their own Inmate Banking, Trust and Commissary System it will be able to implement better internal controls, customize the system to meet the DOCR's needs, and provide for better computerized accounting practices and functional reports. The new DOCR commissary system would also provide commissary products for inmates at a fair price as well as providing training, educational, and employment opportunities for inmates

Business Need or Problem

State law requires that the DOCR provide banking and commissary services for inmates. Effective June 30, 2010 the DOCR will no longer have inmate banking or commissary services. The need is to replace the current inmate banking system and to provide an in-house operation of commissary services through Rough Rides Industries which will expand training and employment opportunities for inmates.

The customers would be the current adult inmate population which is approximately 1450 inmates which are housed at NDSP, JRCC, MRCC and one women's facility DWCR in New England. A long term goal would be to possibly provide commissary services for State Hospital residents and prisoners in ND county jails and contract facilities.

Key Metrics

Project Start Date	Estimated Length of Project	Estimated Cost
3/1/10	4 months	\$568,500.00

Benefits to Be Achieved

Project Objectives	Measurement Description
Rough Rider Industries to secure a line of credit by October 1, 2009 with the Bank of North Dakota. The line of credit must be sufficient to cover the cost of operations startup as identified in the Business Plan.	Rough Rider Industries will obtain sufficient financing to fund the project and will stay within authorized legislative spending authority.

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Ensure Syscon Finance Module is fully functional no later than July 6, 2010.	A fully-staffed and operational commissary utilizing kiosk communication technology serving the JRCC, NDSP, MRCC, and DWCR, that satisfies state law which requires an inmate trust and banking system.
Be compliant with ND State Auditors' recommendations.	Zero formal audit recommendations for FY 2011.
Achieve greater efficiencies through automation.	Reduce manual labor processes and decrease workload for account technician by 14 hours/week. Replace "kites" (inmate correspondence) with kiosks to reduce the number of inquiries regarding available account balances by 80%.
Achieve greater accuracy through automation.	Accuracy will increase by 25% – 30% in processing deductions and payments for Crime Victims' restitution, court-ordered child support, and other restitution withholdings.
Establish and maintain profits generated from commissary sales to sustain operations, re-pay borrowings, and provide funding to enhance Industries/Education re-entry efforts.	Estimated profits from the Business Plan Pro Forma Profit and Loss Statement are subject to change due to evolving circumstances and are as follows: <ul style="list-style-type: none"> • FY 2011 - \$ 43,949 • FY 2012 - \$ 56,889 • FY 2013 - \$ 64,009 • FY 2014 - \$ 71,717 • FY 2015 - \$ 79,669
Enhance security by providing tools to observe, monitor, and track inmate purchases and withdrawals to identify strong-arming, gambling, unauthorized purchases, and medical restrictions.	A reasonable expectation should be a 25% decrease in write-ups, but these new security features are an important project objective and should be noted in the LPO.
In collaboration with current re-entry stakeholders, teach inmates transferable employment skills in the fields of retail, warehousing, and inventory management.	Inmates will be selected to participate in training opportunities within FY 2011.
Design and implement a commissary stocking and delivery system that will deliver inmate purchases on a timely basis in a manner that provides the highest level of security and efficient use of staff.	95% of inmate orders filled correctly. Delivery deadlines consistently met at all facilities. No security incidents related to commissary activities.

Cost/Benefit Analysis

The DOCR-owned inmate banking and trust accounting system would increase the internal system controls by 100%. This would also allow for the State Auditors' Office to test the accounting system for accuracy, internal controls, and validity. Posting and system efficiencies would reduce manual labor and decrease the account technician's overtime by approximately 14 hours per week. Crime Victims' restitution, court ordered child support, and other court ordered restitution withholdings would increase by 25 to 30%. Once the inmate banking and trust accounting system is implemented, the number of inmate and correctional staff inquiries should decrease by 80% due staff have the ability to view inmate banking and commissary information online. Security staff would have the ability to view and monitor the deposits made to inmate accounts for money laundering. A detailed deposit record identifying the contributor's name, address, and deposited amount would be accessible for security staff to view 100% of the time. Profits from the commissary operations would enhance the current inmate vocational and education programs which are instrumental in reducing the risk of future criminal behavior by holding offenders accountable, and providing the inmates opportunities for change.

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Key Constraints or Risks
<p>The short time frame to implement this project is probably the biggest risk as well as lack of experience by the DOCR in owning and operating its own Inmate Banking, Trust, and Commissary system.</p> <p>The DOCR is planning to hire at least one of the current Keefe employees. This employee will have knowledge of commissary operations which will be a valuable resource for all phases of the operation. RRI is a member of the NCIA (National Corrections Industries Association). This association provides a wealth of knowledge for prison industry-operated commissary operations. RRI has already written a business plan which was presented to the Bank of North Dakota.</p>